

**A SUBSTITUTE RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE**

**AUTHORIZING THE MAYOR TO ENTER INTO
AMENDMENT NO. 4 WITH K.P.M.G. L.L.P. TO
EXTEND THE EXISTING AUDIT CONTRACT
TO COMPLETE THE YEAR 2002 AUDIT;
ASSESSMENT AND IMPLEMENTATION OF
G.A.S.B. 34 REQUIREMENTS; ASSESSMENT
AND IMPROVEMENTS OF VARIOUS SYSTEM AND
BUSINESS PROCESS IMPROVEMENTS; AND
FOR OTHER PURPOSES.**

WHEREAS, the Governmental Accounting Standards Board (GASB) Statement 34 is the most significant change in the history of governmental accounting; and

WHEREAS, the impact on the City's financial system will be numerous and must be implemented as soon as fiscal year 2002; and

WHEREAS, the most significant challenges of GASB 34 will require the City to generate financial statements on a full accrual, modified accrual and cash basis; and

WHEREAS, GASB 34 will also require that the City's fixed asset and infrastructure records be significantly improved, including a valuation of the infrastructure assets and general fixed assets; and

WHEREAS, financial information required is not available on a real time basis without significant manual effort; and

WHEREAS, the current financial system is essentially on a cash basis and requires approximately 4 to 6 months to generate accrual or modified accrual statements; and

WHEREAS, the City's current financial system needs upgrading because it requires interfaces with many different operational systems; and

WHEREAS, recent system implementations, process changes and personnel turnover have led to financial processes including payroll and treasury which are achieving below their potential efficiency or effectiveness; and

WHEREAS, the City has initiated the process of having its independent auditors and MIS conduct special performance reviews and now desires a review of its motor transport operation to ensure that systems are properly controlled and processes are performing efficiently and effectively; and


WHEREAS, the current contract with the auditors needs to be extended through fiscal year ending 2002 for the purpose of meeting the GASB 34 requirements in the required timeframe in the most cost effective manner.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor be and is hereby authorized to enter into contract amendment No. 4 for FC-6922-97, Audit of Financial and Professional Accounting Services, with KPMG LLP for basic audit services for the City's fiscal years ending 2001 and 2002 in a base amount not to exceed \$517,000 for fiscal year ending 2001 and a base amount not to exceed \$618,500 for fiscal year ending 2002, subject to the appropriations of funds. Furthermore, reimbursable expenses not to exceed \$50,000 per year are authorized for the printing of the Comprehensive Annual Financial Report and the Workers' Compensation Actuarial Report. Additional work shall be performed as requested by the Chief Financial Officer for special audit services at hourly rates and conditions as specified in the contract to be paid from the appropriate funds of such programs requiring special audit services.

BE IT FURTHER RESOLVED, that said contract amendment include provisions for a GASB 34 Readiness Assessment and Project Monitoring Program, as substantially described in the document entitled Financial Information System Project Plan, which is attached hereto and made part hereof by reference, in an amount not to exceed \$1,725,000.

BE IT FURTHER RESOLVED, that said contract amendment include provisions for the purpose of performing a Management and Operations Audit of the Bureau of Motor Transport Services and the Bureau of Management Information Systems as substantially described in the document entitled Financial Information System Project Plan which is attached hereto and made part hereof by reference, in an amount not to exceed \$425,000.

BE IT FURTHER RESOLVED, that said contract amendment include provisions for the Business Process Redesign/Systems review for payroll, treasury, bank cash reconciliation processes which is substantially described in the attached document entitled Financial Information System Project Plan, which is attached hereto and made part hereof by reference, in an amount not to exceed \$3,487,000.



BE IT FURTHER RESOLVED, that said contract amendment include provisions for the purpose of performing a financial audit of the 1994, 1995 and 1996 Infrastructure Bond Proceeds to verify that funds were expended in accordance with the project list presented to the voters prior to the referendum, identify projects which are complete as well as those which have not begun, and report on the status of any residual bond proceeds and investment earnings, which is substantially described in the document entitled Financial Information System Project Plan, which is attached hereto and made part hereof by reference in an amount not to exceed \$25,000.00.

BE IT FURTHER RESOLVED, that the Director of the Bureau of Purchasing and Real Estate be and is hereby directed to prepare an appropriate contractual amendment to be approved by the City Attorney as to form for execution by the Mayor.

BE IT FURTHER RESOLVED, that this contractual amendment shall not become binding on the City, and the City shall incur no liability upon same until the contract has been executed and delivered to the contracting party.

BE IT FURTHER RESOLVED, that an audit of the 1994 Infrastructure Bond Fund Proceeds be performed in accordance with the scope of services specified in the attachment in Ordinance Number 01-O-0466.

BE IT FINALLY RESOLVED, that all services for said work shall be charged to and paid from various funds, accounts, and centers numbers.

Amendment Incorporated by tcp 3/30/01

A true copy,

Rhonda Daughin Johnson
Municipal Clerk, CMC

ADOPTED as amended by the Council
APPROVED by the Mayor

MAR 19, 2001
MAR 27, 2001

RCS# 2745
3/19/01
5:12 PM

Atlanta City Council

Regular Session

01-R-0459 Amendment No. 3 with KPMG,LLP to extend
 audit contract to complete 2002 Audit
 ADOPT/SUB/AMEND

YEAS: 11
NAYS: 1
ABSTENTIONS: 0
NOT VOTING: 3
EXCUSED: 0
ABSENT 1

NV McCarty	Y Dorsey	N Moore	Y Thomas
NV Starnes	Y Woolard	Y Martin	Y Emmons
Y Bond	Y Morris	Y Maddox	B Alexander
Y Winslow	Y Muller	Y Boazman	NV Pitts

CORRECTED COPY

01-R-0459

LARGE ATTACHMENT:

DOCUMENT(S),

MANUAL(S)

OR

MAP(S)

NOT COPIED,

PULL ORIGINAL

FOR COPY OR TO VIEW

01-R-0459

(Do Not Write Above This Line)

A RESOLUTION
BY

AUTHORIZING THE MAYOR TO ENTER INTO
AMENDMENT NO. 3 WITH K.P.M.G. L.L.P. TO
EXTEND THE EXISTING AUDIT CONTRACT
TO COMPLETE THE YEAR 2002 AUDIT;
ASSESSMENT AND IMPLEMENTATION OF
G.A.S.B. 34 REQUIREMENTS; ASSESSMENT
AND IMPROVEMENTS OF VARIOUS SYSTEM
AND BUSINESS PROCESS IMPROVEMENTS;
AND FOR OTHER PURPOSES.

3/14/01 Conditional Information
Provided re: Scope & Professional
Fees & Expenses

3/14/01 Amendment Approved by roll call vote

ADOPTED BY
MAR 19 2001

COUNCIL As Amended

- ☐ CONSENT REFER
- ☐ REGULAR REPORT REFER
- ☐ ADVERTISE & REFER
- ☐ 1st ADOPT 2nd READ & REFER
- ☐ PERSONAL PAPER REFER

Date Referred 3/5/01

Referred To Finance & Executive

Date Referred

Referred To

Date Referred

Referred To

First Reading

Committee
Date
Chair
Referred to

Committee

Date

Chair

Actions

Fav, Adv, Held (see rev. slide)

Others

Members

Refer To

Committee

Date

Chair

Actions

Fav, Adv, Held (see rev. slide)

Others

Members

Refer To

Committee

Date

Chair

Actions

Fav, Adv, Held (see rev. slide)

Others

Members

Refer To

Committee

Date

Chair

Actions

Fav, Adv, Held (see rev. slide)

Others

Members

Refer To

FINAL COUNCIL ACTION

☐ 2nd ☐ 1st & 2nd ☐ 3rd
Readings

☐ Consent ☐ V Vote ☒ RC Vote

CERTIFIED

CERTIFIED
MAR 19 2001
ATLANTA CITY COUNCIL PRESIDENT
Ramon R. Pate

MAYOR'S ACTION

APPROVED
MAYOR